

**THE LAW OFFICES OF MARK J. FRIEDMAN P.C.**  
Proposed Counsel to Wulforst Acquisition LLC  
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Mark J. Friedman, Esq.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

WULFORST ACQUISITION LLC,

Case No. 15-70458

Debtor.

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**DECLARATION OF GEORGE HEINLEIN  
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-4**

George Heinlein declares under penalty of perjury pursuant to 28 U.S.C. §1746 that the following in true and correct:

1. I am a managing member of Wulforst Acquisition LLC (the "Debtor"), having filed a voluntary petition for relief pursuant to chapter 11 under title 11 of the United States Code (the "Bankruptcy Code") on February 6, 2015 (the "Filing Date").
2. I submit this declaration in support of the Debtor's voluntary petition for reorganization under chapter 11 of the Bankruptcy Code pursuant to Rule 1007-4 of the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court for the Eastern District of New York (the "Court").
3. Except as otherwise noted herein, all facts set forth herein are based upon my personal knowledge, my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtor's operations and financial conditions.
4. The Debtor continues to remain in possession of its assets, operate its business and manage its affairs as the debtor-in-possession pursuant to Bankruptcy Code §§1107 and 1108.

5. No trustee, examiner or committee of creditors has been appointed in these cases.

6. The Debtor is not a small business debtor as defined by Bankruptcy Code §101(51D).

7. The Debtor is a New York limited liability company, which was created in October 2011, for the purpose of building on the premises located in Baiting Hollow, Town of Riverhead, County of Suffolk, and more particularly bounded and described in Exhibit "A" attached hereto. (the "Property"). The Debtor intended to transform the unimproved Property into residential subdivisions contiguous to a golf course; however, due to insufficient funding the Debtor was unable to complete the project.

8. There are presently no employees on payroll for the Debtor, and the Debtor thereby has a gross weekly payroll of \$0.00.

9. The Debtor intends to propose an arrangement for reorganization and/or marketing sale process pursuant to the provisions of chapter 11 of the Bankruptcy Code.

10. Annexed to the Debtor's bankruptcy petition is a schedule of the twenty (20) largest unsecured claims of the Debtor's estate.

11. The Debtor has various creditors secured to the Property which include: (i) Darby Group Companies, Inc.; (ii) County of Suffolk; and (iii) Owen Construction Corp., in the aggregate and disputed amount of \$4,101,223.93.

12. As of the Filing Date, the Debtor's assets consist of the 30 subdivided and unimproved lots located in Baiting Hollow, Town of Riverhead, County of Suffolk, and more particularly bounded and described in Exhibit "A".

13. The Debtor does not have any shares of stock that are publically held.

14. All assets, books and records of the Debtor are in the possession of and under the Debtor's control, and are stored by one of the Debtor's managing members, or the Debtor's

pre-petition accountant.

15. The Debtor owns no assets that are physically located outside of the United States.

16. The Debtor does not have any other property that is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee or any other person.

17. Upon information and belief, as of the Filing Date, the following actions are pending involving the Debtor:

a. Darby Group Companies, Inc. v. Wulforst Acquisition LLC et al. – Index No. 032913/2012, judgment of foreclosure entered in the Supreme Court, State of New York, County of Suffolk on November 20, 2014, with a foreclosure sale schedule for February 9, 2015; and

b. Neil Rego, George Heinlein, and Wulforst Acquisition LLC v. Darby Group Companies, Inc. et al., action currently stayed for arbitration – Index No. 19763/2012, Supreme Court, State of New York, County of Suffolk.

18. The Debtor's chapter 11 filing was precipitated by the pending foreclosure sale on the Property scheduled for February 9, 2015.

19. The Debtor commenced the instant bankruptcy proceeding to: (i) obtain the benefits of the automatic stay; (ii) negotiate with its secured creditors; (iii) address and resolve obligations to the other creditors; and (iv) attempt the orderly reorganization of the Debtor's affairs and/or the marketing and sale process for its assets in order to maximize value for the creditors and other parties in interest.

20. The Debtor believes that with the protections of this Court and the Bankruptcy Code, it will be able to restructure its business arrangements and debts, and/or propose a meaningful marketing and sale of its assets.

**WHEREFORE**, the Declarant prays that the Debtor shall be authorized to continue in the operation and management of its business and affairs pending further Order of this Court.

Dated: Syosset, New York  
February 6, 2015

Wulforst Acquisition LLC

By: *s/George Heinlein*  
Name: George Heinlein  
Title: Managing Member